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# **SPEECH**

— OF —

## **HON. J. R. STRATTON**

**PROVINCIAL SECRETARY**

**DELIVERED IN THE ONTARIO LEGISLATURE**

**DURING THE**

### **DEBATE ON THE PROVINCIAL FINANCES**

**ON FEBRUARY 27th, 1901.**

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# SPEECH

Hon. J. R. Stratton, on rising to speak, was heartily applauded. He said:

Mr. Speaker, in addressing myself to the discussion of the important subject now before the House, it is necessary that I should begin by giving some attention to the statements made on the opposite side of the House during this debate. Old memories are most pleasant, as a rule, and the speech of the honourable member for South Lanark, (Mr. Matheson), has a familiar sound. During the time he has been in the House, and has occupied the position he now occupies as financial spokesman of the Opposition, he has made many speeches attacking the financial record and administration of the Government, and, while I have no desire to hurt the feelings of the hon. gentleman, candor compels me to say, that instead of meeting the inspiration of the new century, his last attack was the weakest he has yet made. (Applause.) The only conclusion I can arrive at is that the hon. gentleman has become conscience-stricken, and has begun to realize that the task of successfully attacking the financial standing of the Province is a useless and unprofitable one.

## A CORRECT FINANCIAL STATEMENT.

I defy the hon. gentleman, the leader of the Opposition, or any gentleman inside or outside the House to show, as the leader of the Opposition has asserted, wherein the statement presented by the Hon. Provincial Treasurer has misled or deceived the people as to the financial standing of the Province—a standing which is one for the people as well as the Government to be proud of; which gives us a Province without a dollar of debt presently payable; a Province with a million dollars of cash in the bank; a Province with more annual receipts in interest than would retire its total lia-

bilities twice over. Will any gentleman undertake to say that the statement of the Provincial Treasurer is incorrect or misleading? If so, it is his duty to point out wherein the errors lie. The hon. leader of the Opposition (Mr. Whitney), said in his speech that:

"For twenty years the Government had contended that it had a cash surplus, varying from three to six millions. During all these years that statement had been published, and during all these years it had been untrue."

The hon. gentleman says the statement is untrue, nevertheless, it is true. For the last twenty years the annual statement of the several Provincial Treasurers in showing the standing of the Province—in presenting the assets and liabilities—has concluded with this invariable summary:—"Surplus of assets after deducting liabilities presently payable," and then the amount, varying from year to year from \$5,000,000 to \$6,000,000. This has been true all these years and it is true to-day. (Applause.) On the basis of the report of the Finance Commission the Provincial surplus of assets is, as placed in the last report of the Provincial Treasurer, \$2,580,471, and if we add to this the amount placed in the statement of liabilities and not presently payable, \$3,135,070, railway obligations, we have \$5,715,541, as our correct statement of "surplus of assets after deducting liabilities presently payable," corresponding exactly with the statements of Provincial Treasurers for the past twenty years, which the leader of the Opposition has said were untrue.

## MR. MATHESON'S ABSURD CONTENTION.

The hon. member for South Lanark contends that the railway obligations should be considered a present debt.

Let us compare this claim with the situation in Manitoba in connection with the proposed purchase by a Conservative government of railways. Under the conditions as published in the newspapers, the Province is to pay—or which amounts to the same thing—guarantee annual payments during the currency of the lease, which in 900 years, aggregating the enormous sum of \$207,000,000. According to the reasoning of the hon. gentleman, the present indebtedness of Manitoba in respect of this railway deal is the comfortable sum of nearly three hundred million dollars. Of course this is absurd, but not more absurd on principle than his contention that the railway obligations of Ontario are a present debt. Yet even deducting our railway obligations, our surplus of assets amounts to \$2,830,471, of which one million is cash in the bank. (Applause.)

#### THE STATEMENT CORRECT.

The leader of the Opposition sneeringly spoke of the statement presented by the Provincial Treasurer. It is the clearest, cleanest statement ever presented to a legislative body. He said, in derision: "No state or community, had, to his knowledge, submitted such a statement." On what grounds was such an astonishing declaration made? Where is the fraud, where is the deceit that has been charged?

The leader of the Opposition, though he spoke with a sneer, was correct when he said that "no state or country ever showed such a statement." The financial situation of the Province of Ontario is unique. He denies the correctness of the statement. I ask him what asset appears that is not a bona fide productive asset? What liability exists that is not set forth therein? Here is our indisputable financial position:—

Assets .....	\$7,535,100 90
Liabilities .....	4,654,929 41
Surplus of assets....	\$2,880,171 49
And our assets are more valuable	

than they appear on the face of them. The report of the Finance Commission says on this point:—

"The rate of interest upon the entire amount held by the Dominion for Ontario being settled at 5 per cent. per annum, without termination or date for repayment, the question of the exigibility (demandability) of the principal amount due by the Dominion should not require consideration, as it is obvious that it would be a great misfortune for the Province if the Dominion Government had the power to pay the debt. What we have to deal with is the fact that the Dominion is required to pay Ontario interest to the extent of \$312,000 per annum. The debt on which this interest is payable is \$6,237,791, but the actual present value of the income of \$312,000 per annum at the moment is about \$9,000,000, considering the money to be worth 3½ per cent. per annum, the value assigned to it in calculating the obligations of the Province."

The report further states that the semi-annual payment of interest can be hypothecated and the present money value obtained. But we have no desire to interfere with an asset drawing 5 per cent. interest, for it would be a matter of the greatest difficulty to invest the funds with such good security and at so high a rate of interest. (Applause.) This is a matter about which there is absolutely no doubt, and it is something for a government and a political party to be proud of that the affairs of the Province have been so managed for the past 28 years, with liberal expenditures for every public service, as not only to create no debt but to leave a surplus of interest-bearing assets that yield an annual income that could be capitalized at nine millions of dollars. (Applause.) The leader of the Opposition had seen fit to refer to the "budding Rothschilds and Pierpont Morgans," who, he said, composed the Royal Financial Commission, as unknown men. In assuming this position he brought himself to the condition described by the remark, "Whom

not to know argues himself unknown." The three gentlemen were known as men of eminence in financial circles:—Dr. Hoskin, of the General Trusts Company; Mr. Byron E. Walker, of the Bank of Commerce, and Angus Kirkland, of the Bank of Montreal. The truth of the matter is, hon. gentlemen opposite do not want a correct statement of our finances. They would be deprived of a campaign cry. The statement of the Provincial Treasurer is correct, and every part of it is confirmed by the report of the Royal Commission. Our financial position is sound, and we can rest assured that when the people have an opportunity they will approve of the splendidly efficient management of our finances by the Liberals. (Applause.)

#### **MEN BETTER THAN TIMBER.**

The Leader of the Opposition was not able to show that any of the moneys of the Province have been wrongly appropriated or wrongly expended. He has been unable to more than indulge in vague charges and glittering generalities. (Applause.) He has complained of the depletion of our forest resources. It is true that we have not the same areas of timber standing that we had some years ago, but we have in their place thousands of hardy tillers of the soil. (Applause.) Where our forests used to stand is now populated by a million and a half of hardy, industrious people, a far better asset than standing timber. In connection with the management of our forest resources not one imputation of scandal has attached to any Minister of the Crown, nor yet in connection with the revenue derived therefrom. The people of the Province have received excellent value in public buildings, public institutions and other services. (Applause.) The expenditure has increased, and I should be very sorry if the expenditure were not greater now than in 1872. I would not be a member of a Government or a party that stood still. (Applause.) If hon. gentlemen opposite wish to stand still

they had better go to China. That is about the only country that is not progressive. (Applause.)

#### **CROWN LAND REVENUE RESULTS.**

Since 1872 the Provincial receipts from Crown lands, after deducting Crown lands charges, has amounted to \$26,908,070.55, and it will, perhaps, be interesting to note how that large sum has been expended. For the Maintenance of Public Institutions, Education, and Distribution of Surplus to municipalities, there has been expended in these years, \$38,446,051.05, or twelve million dollars more than the total receipts from Crown Lands. On Public Buildings, Aid to Railways, Agriculture and Colonization Roads there has been expended a total of \$24,293,632.70, or nearly the amount of revenue derived from Crown Lands. For these years the total expenditure for Public Works, Administration of Justice and Hospitals and Charities was \$14,089,361.64, more than half the Crown Lands revenue for the time mentioned. That is to say, out of a total expenditure from 1872 to 1900 of \$837,503.71, the large sum of \$70,790,044.45 has been devoted to municipal and philanthropic purposes to the relief of the people from direct taxation. While the Province, since 1872, has received about twenty-seven millions from Crown Lands, the total expenditure for Provincial purposes to the direct relief of the people from direct taxation has been over ninety-eight millions or nearly four times as much as the Crown Lands receipts. Such a record is incapable of successful attack. (Applause.)

#### **PHILANTHROPIC AND MUNICIPAL EXPENDITURES.**

No State expends anything like the large proportion of its revenues on municipal and philanthropic purposes as Ontario, unless it be first raised in such State by direct taxation, which does not exist in Ontario for Provincial purposes. In 1900, Ontario spent for these purposes—on Education, Public

Institutions, maintenance, Agriculture, Hospitals and Charities, \$81,090,733, practically one-half of the total expenditure. The State of New York, in 1895, with a population of six millions, out of a total revenue of \$25,837,000, of which \$8,000,000 was raised by direct taxation at a rate of 2 1/2 mills on the dollar, spent for benevolent and municipal purposes \$7,000,000, a little more than one-quarter of the total revenue, while Ontario's proportion of expenditure for these purposes is one-half. Massachusetts spends in these services two and one-half millions out of a revenue of seven millions, or one-third of its total revenue. Michigan spends on these services more than half of her revenue, but then, half of her revenue is derived from direct taxation. The same applies to the State of Illinois, but the total expenditure for these purposes is raised by direct taxation. Ontario spends more proportionately than any of these States or any other states, and to greater advantage, for better results are achieved for the same expenditure, which is perfectly justifiable, a credit to the Government and satisfactory to the people. Ontario expends nearly half of her total revenue for these purposes, not only without direct taxation, but to the avoidance of as much direct taxation as would be necessary if the Province did not come to the rescue; while in the States mentioned a far less proportion is expended, and what is spent is derived from direct taxation added to the burdens for the support of exclusively municipal and local purposes.

#### FOR EDUCATION.

Let me examine the expenditures for these services a little in detail. For Education since 1872 the Province has spent \$17,072,826.79, an average of nearly \$600,000 per year. The growth of population of the Province demanded increased expenditure for Education—from \$351,906 in 1872 to \$758,446 in 1900—a difference in favor of 1900

of \$407,140, or an increase of considerably over 100 per cent., and the increased number of schools, school buildings, teachers and pupils amply justified it. The leader of the Opposition has tried to show that the Province of Ontario spends very little on Education compared to New York State, which, he declared, paid \$6.71 per head for schools, while Ontario paid 37 cents per head. New York City, the greatest centre of population in the United States, paid fourteen millions for Education out of seventy-nine millions raised by taxation. Ever Toronto does better than that, for while New York City pays for education one-fifth of its revenue raised by direct taxation, Toronto pays one-quarter, or \$513,000, out of its total taxation of \$2,204,404, which is so much lessened by the large sum of \$27,612 contributed by the Province, thus saving the levy of that much city tax. The leader of the Opposition (Mr. Whitney) said that the Provincial Secretary claimed credit for the sum spent on Hospitals and Charities, and that that credit was not deserved, for it was the people's money. Nobody denies that the money belongs to the people, but the credit consists in the fact that the money is saved to the counties by the sums granted by the province for these purposes. The money received by the counties represented so much saving of direct taxation.

#### HOSPITALS AND CHARITIES.

In this respect the Government has dealt generously with the people, and in the past 29 years has contributed \$3,338,310.65 to aid Hospitals and Charities, and the increase has been marked, the annual expenditure having been in 1872 only \$40,200, whereas in 1900 it was \$184,898. This was the people's money, it is true, but it was given to the people in direct lessening of the expenditure they would have incurred in providing the services represented by the amounts contributed by the Government.

## FOR ASYLUMS.

Then there is another matter in respect of which the Province of Ontario occupies a distinguished position, and that is the large expenditure made and the special care exercised in ameliorating the condition of the insane. But for this a terrible burden would be thrown upon the municipalities, both financially and otherwise, or these unfortunates would be neglected and uncared for. There are now seven institutions maintained at a yearly cost of \$800,000. In the 28 years from 1872 to 1900 there has been paid for maintenance, alone, of the Provincial Institutions the large sum of \$17,881,591.01, or an annual average of \$638,802. There has been increased expenditure incurred; but there was increased necessity. In 1872 there were three asylums maintained at a cost of \$142,884.90, while in 1900 there were seven asylums, costing for mere maintenance, excluding salaries, etc., the sum of \$690,735.16. In 1872 there were 1,461 patients, and in 1900 the number had grown to 5,137, or nearly fourfold. The cost per head of maintenance was \$134.53 in 1872, and in 1900 it was only \$122.19 per head. In no similar institutions in any part of the world are the inmates so well maintained and so well treated, at so low a cost per head as in Ontario. The average per capita cost in a large number of similar institutions in the United States, the other Provinces and Great Britain is \$183.65, while in Ontario it is only \$122.19, a difference of \$61.46 per head. At the comparatively extravagant rate of cost per head of these other institutions, the maintenance of our 5,000 of insane would cost \$1,300,000 instead of \$800,000 per year. I think the Government deserves credit for maintaining so efficient a service at such a low rate, a fortunate condition in view of the unfortunate fact that the number of this class will almost certainly increase, and they must be looked after.

## FOR AGRICULTURE.

The hon. gentleman (Mr. Whitney) said that if he got into power and got the finances into good shape, he would establish half a dozen agricultural schools. It seems to me that he would be doing the interests of agriculture a greater service by loyally supporting a policy of making our one excellent Agricultural College and Experimental Farm as effective as possible instead of frittering the public funds away on half a dozen minor institutions that would necessarily be inefficient. With that number of agricultural schools there would have to be an equal number of staffs, with corresponding expenditures for maintenance, while one staff, and a better one than could be afforded for several colleges, serves every purpose. (Applause.) In the past—since 1872—the Government has expended in the encouragement of Agriculture \$4,111,248, the annual expenditure having been \$76,000 in 1872 and \$200,168 in 1900, an increase of \$133,168 per year, or nearly 100 per cent. in 28 years. For years the Opposition has sneered at the expenditure upon the Agricultural College, which the farmers have highly appreciated, and now seeing the drift of public opinion, and the unpopularity of such a course, the leader of the Opposition has gone to the other extreme and demands six agricultural colleges, but judging by the excellent work it has done, one well conducted agricultural college is better than half a dozen inefficiently equipped colleges. (Applause.) In addition to the direct expenditure in maintaining the Agricultural College the Government has been liberal in aiding kindred agricultural agencies—Farmers' Institutes, the Bureau of Industries, and a dozen or so Associations allied to farming, which might well be called continuation classes of the Agricultural College—the technical schools of agriculture. The excellent results flowing from the liberal aid given have made Ontario the

foremost agricultural country in the world. (Applause.)

**MR. WHITNEY'S FINE FINANCING.**

The leader of the Opposition is going to put the farmer on his feet when he gets the finances right. And how does he propose to begin his financial reconstruction? In his speech on the budget he said he would do away with direct taxation, whether of "the classes or masses," in the extremely improbable event of his attaining power. He would abolish license fees and—

Mr. Whitney—Nonsense.

Mr. Stratton—The hon. gentleman says "nonsense." He may say that to his own position with very good effect. But, Mr. Speaker, is it not true that the leader of the Opposition and members of the Opposition time after time and from every political platform on which they have appeared, have pronounced the Government's taking of a share of the license fees as a robbery of the municipalities? And what grounds are there for such a charge? To what extent have the municipalities been "robbed"? In the 25 years since 1876 the total revenue from licenses has been \$7,805,069.91. Of this total the share of the Province has been less than \$3,000,000, the balance going to the municipalities. Yet while the Province has derived in the 25 years past about \$3,000,000 from licenses, the Province has given to the municipalities in the shape of grants to services that directly go to the lessening of municipal taxation, as I have mentioned, the large sum of \$80,790,045.45, or over eighty-five million dollars more than was derived from license fees. Have not Mr. Whitney and his friends denounced the succession duties and the revenue paid by companies? By doing away with these he will do away at one stroke with the following revenue annually:—

Licenses.....	\$354,000
Companies.....	229,774
Succession Duties.....	226,676

A total of ..... \$810,450

Thus Mr. Whitney would wipe out

about one-fifth of our revenue, and that is the way he would go about putting our finances right.

**MR. WHITNEY'S BIG BRIBERY BID.**

But that is not the only way he proposes to cut off our revenue. He would cut off another \$25,000 income from the Niagara Falls power franchise. Speaking at Niagara Falls on December 10, 1900, during the Welland bye-election, Mr. Whitney made a remarkable bid for votes. We all remember how in this House the hon. gentleman denounced the concessions granted to pulp companies, and denounced them in the most violent language as an iniquitous alienation of the public domain. But while he is so extremely jealous of the public interest he seems to be capable of a heroic subordination of the public interests to the interests of his party. At Niagara on the occasion referred to Mr. Whitney is reported in The Mail newspaper as follows:—

"He agreed with Mr. Ross that the town should have the power, but Mr. Ross had been careful not to say that the power should be free. Mr. Whitney declared his opinion that it should be free, and anything that was ever in his power to make it free should be done."

Was there ever a more direct, unblushing and corrupt appeal for votes made by any public man on a public platform than the brazen bribery bid made by Mr. Whitney on this occasion? The hon. gentleman plays the high moral role in the House. He denounces corruption with righteous indignation, and demands the punishment of bribers on the distinct understanding that only bribers who are Liberals should be so dealt with. While he has been bitter and vindictive against Liberal offenders, I defy the hon. gentleman to mention a single occasion on which he has demanded the punishment of Conservatives guilty of corrupt practices. (Applause.) Mr. Whitney, speaking in the House on February 3, 1899, condemned Hon. Mr. Hardy as bribing the electors by appealing to them at St. Thomas not to place themselves in opposition to the govern-

ments at Ottawa and Toronto, and he declared Hon. Mr. Ross guilty of bribery because he announced that legislation would be passed remitting the liability of the Townships of Dunwich and Dutton, amounting to \$2,500. Yet after this and after fairly splitting the rafters of the House with his denunciation of bribery, at Niagara Falls he makes a bid to bribe a whole constituency with a promise of free power. (Applause.) Has Mr. Whitney one code of morals for the Legislature and another for the stump? No man ever made a more brazen bid and a more corrupt offer to the people than Mr. Whitney made at Niagara Falls when he sought to bribe a riding by making the power free to that town, thus depriving the Province of an annual income of \$25,000 a year, or the interest on an investment of \$800,000. That is one of the ways he would go about getting the finances "right," as he puts it. If Mr. Whitney would make Niagara Falls power free, he must, to be consistent, make our pulpwoods and our mineral deposits free to all comers. The logical outcome of his policy would be Provincial disaster.

#### RELATIVE INCREASE OF EXPENDITURE.

The financial critic of the Opposition (Mr. Matheson) has, with other gentlemen opposite, condemned the increase of Provincial expenditure. I will not only admit that that expenditure has increased, but I will also say that Ontario would be in a sorry condition if its expenditure had not increased in proportion to the demands of a great and growing Province. Yet I can show that the increase has been in far less ratio than in the municipalities. Now let me make a brief comparison, taking the eleven years from 1886 to 1897. In 1886 the population of Ontario was 1,828,495; in 1897 it had grown to 1,990,997, an increase of 162,482, or 8 8-10 per cent. In these eleven years the municipal assessment had increased from \$694,380,659 to \$803,625,377, an increase of \$109,-

244,718, or an increase of 13 7-10 per cent. The taxes paid in 1886 in the several municipalities of the Province amounted to \$9,000,385 and in 1897 to \$12,206,325, an increase of \$3,196,940, or 35 4-10 per cent. That is, while the increase of population in the period mentioned has been at the rate of 8 8-10 per cent., and the assessed value, 15 7-10 per cent., the increase of taxation in the municipalities has been 35 4-10 per cent. The total expenditure of the municipalities in 1886 was \$19,126,000, and in 1897 it was \$28,135,044, an increase of \$9,009,044, or 47 per cent. in eleven years. In 1886 the total expenditure of the Province was \$3,181,449.69, and in 1897 it was \$3,767,675.70, an increase of \$586,226, or an increase of 18 per cent. in eleven years. In other words, while the expenditure of the Province shows an increase of 18 per cent. in eleven years, the expenditure of the municipalities of the Province shows an increase of 47 per cent., or nearly three times as much as the increase of the Province. If the expenditure of the Province, according to hon. gentleman opposite, has been wasteful and extravagant, what is to be said of the municipalities who tax themselves and have direct control of local expenditures? To carry the comparison a little further, let me take two or three counties which, according to the Opposition, are the most intelligent and best governed, inasmuch as they return Conservative members to the Legislature. Take the County of Frontenac, represented in this House by a Conservative. Without going into the details of the expenditure, which I have at hand, it will illustrate my point to show that in the eleven years from 1886 to 1897 the expenditure for municipal purposes in this county increased 26 1-2 per cent., while the beneficent rule of the Conservative Government at Ottawa did not prevent the population from decreasing 3 1-2 per cent. The united Counties of Stormont, Dundas and Glengarry rejoice in sending a solid Conservative contingent to this

House, including the hon. leader of the Opposition, in whose constituency and under his very eye we should expect to find ideal financial management. He should show an object lesson to the Ontario Government how to economize. Let us see how it works. In the eleven years mentioned the municipal expenditure of these united counties, managed according to Conservative ideals, shows the enormous increase of from \$270,000 in 1888 to \$471,000 in 1897, or an increase of 74 per cent. in eleven years, while in the same time the increase of population was only 1.2 per cent., an increase of expenditure four times greater than that of Ontario, or nearly 150 times greater than the increase of population. Think of this going on under the eyes of the Opposition leader! Take the County of Lanark, the riding of the Opposition genius of finance, who is always so keen on the trail of the Provincial Treasurer. The increase of expenditure for municipal purposes in Lanark was in the years mentioned 23 1-2 per cent., while the increase of population was only 6 1-5 per cent. I do not mention the great growth of expenditures in the municipalities to condemn it, but to emphasize the manner in which it breaks down the contention of the Opposition that the affairs of Ontario have been extravagantly and wastefully administered. The municipalities, I am free to say, doubtless got value for the money expended. It no doubt represented services for the benefit of the people—needed services for their convenience and general benefit—to meet the requirements of municipal development. In like manner the increase of expenditure of the Province has been called for to meet the requirements of a progressive and advancing people, and it must be remembered that over nine-tenths, or more than \$89,000,000, of the total expenditures of the Province since 1872 under Liberal administration have been devoted to services that have saved the people that much direct taxation; that is, if they were to have the benefits

represented by the Provincial expenditure for municipal and philanthropic purposes.

### THE SIZE OF ONTARIO.

Another very important subject that has engaged and still engages the attention of the Government and should enlist the interest of the House, is the development of the vast resources of the Province, whose undeveloped area is greater and in some respects more important than the already settled portions. It is hardly possible to realize the extent of the Province of Ontario. If one were to start from Point Pelée, in Essex County, he could travel every foot on Ontario soil 700 miles to the salt waters of James Bay. One can start at Point Fortune, on the Ottawa River, in the east and travel every foot on Ontario soil to Rat Portage, a distance of 1,000 miles, with a winding waterway of 200 miles more before the western limit of the Province is reached. Ontario has an area greater than that of Italy, Austria and the Transvaal combined. It is twice as large as New York State and twice as large as Sweden, Germany and Denmark combined. And every square mile of this immense territory is capable of yielding important results to judicious and energetic development.

### DEVELOPMENT OF RESOURCES.

The Government of Ontario has recognized the importance of our great undeveloped resources and has shaped its policy in accordance with the conditions required to utilize these resources, both to the advantage of the new regions operated upon and to the advantage of older Ontario. In applying their policy it might have been expected that the Opposition, if they were anxious to promote the best interests of the Province, would have co-operated to some extent, at least, with the Government. But what has been their attitude? The leader of the Opposition has exhibited an obstructive antipathy, especially in relation to the

most important feature of the Government's development policy, the Algoma Central Railway agreement. What is his position in this matter? I understand the hon. gentleman to say that he adheres to the same language he employed last session to describe this bargain. Here is what he said in this House on April 27th, 1900:—

"It is the most phenomenal steal, the greatest attempt at public robbery, the most heinous public crime that was ever attempted by public men in authority, and I don't think it would be exaggeration to say on the continent of North America."

#### WHAT WAS TO BE DONE.

What was the Clergue syndicate to do in consideration of the grant of 7,400 acres per mile, which is described as a "phenomenal steal"? In considering this grant it should be remembered that the lands covered by this grant have been lying dormant and useless for centuries, the timber on them growing, decaying and growing again, the minerals hidden in the heart of its moss-covered rocks, the whole territory useless to man and to remain useless without the concession granted or something similar that would develop its resources, and people its stretches of arable land. What was the syndicate to do in consideration of the grant of 7,400 acres per mile to aid in the construction of the Algoma Central Railway? By the terms of the grant the Central Algoma Railway Company was bound to develop 40,000 horsepower in addition to that already developed, to erect smelting and reduction works with 300 tons daily capacity, and erect an additional pulp mill at Sault Ste. Marie of 50 tons capacity. The company bound itself to place on the lands granted to it, 1,000 settlers every year for ten years, and to bring about this it bound itself to open and maintain immigration offices at Toronto and Liverpool. The company bound itself to maintain not less than four steel steamships of not less than 2,000 tons freight capacity between

Michipicoten and the "Soo." No pine timber nor spruce pulpwood to be exported in an unmanufactured condition. Another condition to which the company bound itself was to complete within two years chemical works to utilize 5,000 horsepower. The agreement provides that settlers' rights shall be secure, and that settlers now on any land that may be granted to the company shall not be deprived of them, and the very important proviso has been insisted upon that passenger and freight rates shall be controlled by the Lieutenant-Governor-in-Council. The company does not secure one dollar of cash subsidy, but a grant per mile of 7,400 acres of land, which is valueless and useless without railway access to bring it into usefulness. The Algoma Central Railway arrangement is a "phenomenal bargain" instead of a "phenomenal steal."

#### WHAT HAS SO FAR BEEN DONE.

Now, what have been the results of this "phenomenal steal, this greatest attempt at public robbery," which is the extravagant language the leader of the Opposition employed last session and to which he still adheres? The result has been a veritable revolution, both in the condition of affairs in northern or New Ontario and in the relations of this region to the old. At a recent complimentary banquet to Mr. Clergue, a tribute which was very richly deserved, that gentleman mentioned a few of the things that have been done through the assistance afforded by the progressive policy of the Government. The results at the Soo have been that the population has doubled within seven months. The Canadian Pacific Railway passenger earnings at that point, that were only \$15,000 in 1895, have increased to \$61,000 in 1906—a fourfold increase in four years. The freight earnings of the railway at the same point have grown from \$25,000 in 1895 to \$142,000 last year, an increase of nearly six times in four years. The Canadian Pacific Railway Co. has been

compelled to provide increased train service to meet the increased freight and passenger traffic. The steamer service of the lakes has been taxed beyond its capacity, and in addition to the four steel steamers now plying according to the terms of the agreement, additional orders have been placed to meet the demands of the increased traffic to the "Soo," brought about by the operations of the Algoma Central Railway and the Clergue syndicate. I have always maintained that the development of the resources of New Ontario would react beneficially upon older Ontario. This is shown already by the results of the operations of the Clergue syndicate. During the past year or so this company has sent these sums to older Ontario in payment for supplies: To Owen Sound, \$200,000; to Toronto, about \$200,000; to Hamilton, about \$200,000; to Peterborough, for electrical supplies, \$100,000, and all the manufacturing centres have received orders for various kinds of supplies of from \$25,000 to \$200,000 each. In a word, the Clergue syndicate has expended in older Ontario in the year 1900 over a million dollars, and the requirements of the present year, 1901, will necessitate an additional expenditure of over two million dollars. In connection with the operations of the Clergue syndicate there have been expended already in New Ontario nine million dollars of foreign capital, with all its accompanying advantages. And to carry out the programme of the syndicate an additional expenditure of nine millions will be made within the next year or eighteen months. The pay roll itself, which represents an equivalent employment of Canadian skill and labour, will be increased to \$10,000 per day, or three million dollars per year, a sum equal to the total revenue of the Province of Ontario fifteen years ago. (Applause.) What have been the direct fruits of the grant to the Algoma Central Railway so vigorously denounced by the leader of the Opposition? Already

twelve miles have been completed from Michipicoten harbour on Lake Superior to the Helen iron mines, so that a veritable mountain of iron ore, computed to be the most extensive and valuable on this continent, which a few months ago was as inaccessible for traffic purposes as the North Pole, is now connected with Lake Superior by rail. And ore from this mine is now being shipped in the company's steamers to Midland, where for the first time in the history of Canada pig iron is being made entirely from Canadian ore. It would be impossible to overestimate the benefits that will be derived from the completion of even this little section of railway, which is a mere branch of the main line, which it joins a few miles from Michipicoten. Of the main line 28 miles from the "Soo" north are finished and in operation and fifty miles partially completed. Three millions have already been expended on construction, and five millions more will be needed to complete. This eight millions means an interest charge of \$500,000 per year, and the only way the company can be recouped is by the development of traffic in the country traversed by the railway line. To develop this traffic factories must be built to utilize the forest resources, furnaces built to utilize ores, and farmers settled to till the soil and furnish supplies. The Company must in self-defence carry out the clauses of the act, it must settle the land conveyed in the grant, and considerable progress has already been made in this direction. It is easy to see how this will increase the value of the contiguous lands of the Province, which before the grant was made and until the railway, which is rapidly being built, is constructed, are commercially and industrially worthless. When we see the results of the bargain that have followed in so short a time, how are we to regard the extravagant language of the leader of the Opposition about "phenomenal steals," "public robbery," etc? And how is he to jus-

tify his hostility and that of his party in this House to the grand scheme of development represented by the best bargain this Province ever made? (Applause.) An examination of the details of the agreement will show that every interest of the Province has been adequately safeguarded. It will be remembered that the hon. gentleman used violent and intemperate language, similar to that used in reference to the Algoma bargain in condemning the arrangement made with the Engleclue syndicate. No language was too strong, no invective too vicious to express Mr. Whitney's condemnation of that agreement. There was absolutely no justification for such language, for the Engleclue people only received permission to spend \$120,000 in prospecting for minerals in a certain area. The result was that the Province was not injured, but benefited, by the expenditure of the money, and mining men, too, for the company found that the region explored did not contain minerals in sufficient quantity for profitable working. Mr. Whitney was a false prophet then as he is now in respect to the Algoma bargain. But, says the leader of the Opposition, all that I have mentioned would have been done if the bargain had never been entered into.

#### WHAT LED TO THE BARGAIN.

Let me consider this position for a moment. The first pulp concession to the Clergue syndicate was granted in 1894, and the development work in connection with this enterprise widened out to such an extent that to meet the conditions created, it was necessary to provide railway facilities for bringing the raw materials for the large and increasing industries at the "Soo" to that point. A year and a half before the Algoma Central Railway bill was passed Mr. Clergue had been negotiating with the Government, and had made certain provisional arrangements with the Government, trusting to their ratification by the House. In view of these arrange-

ments Mr. Clergue went on with his restless energy, and had effected many important works connected with his enterprise, trusting to have the conditions and concessions agreed upon embodied in the railway bill, as was honourably done. As a result the company is now bound down to many things it would not have been bound to except for the railway bargain. It was objected that the settlers' rights had been invaded by the bargain. The settlers under the agreement are adequately protected, and in this respect, as in all others, the agreement with the Algoma Central Railway is distinctly in the interest of the development of New Ontario, and the incidental benefit of older Ontario, and the people, and the business community endorse it, and if Mr. Whitney chooses, the Government will go to the country on that issue alone. (Applause.) Mr. Whitney makes the astonishing claim that the Opposition is responsible for the saw log policy of the Government requiring the manufacture in Canada of all timber cut on Ontario lands. It is well-known to everybody at all conversant with the subject that the manufacturing clause was inserted in the conditions of the timber sale of 1890, four years before the introduction of Mr. Mincampbell's resolution. The measure to procure the manufacture of logs in this country was brought about through the influence of public indignation over the intolerable conditions created by the Dingley tariff bill of the United States, and the Opposition deserve no more credit for the present saw-log policy and practice than they do for the success of the Government's development policy they have so persistently and unceasingly opposed. I should think the Opposition would be ashamed to mention the word timber, having in mind the attempt made by their political friends at Ottawa to seize upon the timber of what is now called New Ontario, where immense tracts were parcelled out to Conservative manipulators and managers at \$5 per square mile, and Mr. Wm.

Broder of Morrisburg, a bosom friend of the Opposition leader, was one of those to whom one of these grants was made. If the friends of gentlemen opposite had had their way there would not be timber enough left in New Ontario for a bird to perch upon. (Applause.) The Opposition complain of insufficient notice of the sale of timber in March. The notices of the sale, of a few patches of burnt timber areas are ample, having been sent out on June 21, and, the sale being the following month, plenty of time for the lumbermen interested to make a fairly good estimate of the quantity of timber in the limits in question, was given.

#### MR. WHITNEY AND PULP LANDS.

Mr. Whitney at Niagara Falls last December said that when his party got into power "the people of Ontario would have no fear that pulp or timber lands would be given away to speculators," and applies that to the pulp concessions granted by the Government, to which it does in no sense apply. The Government has given no pulp lands away to speculators—it has simply given the right to cut pulp wood, for which dues of 20 cents per cord were at first imposed, and these have been increased to 40 cents per cord, and might be increased to \$1.00 per cord, according as the market demand increases the value. In this way the Government is dealing with the bounties of nature in the interests of the people, not giving them away for nothing, as the leader of the Opposition proposed to do with the power at Niagara Falls and with the added blame of making this offer as a stupendous bribe to help him win a bye-election. In regard to these pulp concessions, the Opposition complain that by reason of the concessions granted, new applicants for pulp lands will be placed at a disadvantage, and handicapped. This objection has little or no value, for it holds good in almost every field of enterprise, that the first comers always have an advantage. For my part, I heartily believe that it would

be to the advantage of the Province if the Government could make concessions to half a dozen other companies. For, while the fact that pulp woods rapidly reproduce themselves prevents the possibility of the supply becoming exhausted, there remains the danger that some other material for making paper cheaper than pulp will be discovered, and may deprive our pulp woods of their value, and so a considerable source of revenue to the Province be wiped out, as well as a large employment of labour and large expenditure for supplies.

#### OPPOSITION HYPOCRISY.

And a word in reference to West Elgin. The leader of the Opposition has expended a large amount of energy and eloquence in denouncing the alleged election irregularities in this riding. He, however, fails to mention the fact that the present member for West Elgin (Mr. Macdiarmid) secured his seat at the general election of 1898 by personation. (Applause.)

Mr. Macdiarmid—Who was the personator?

Mr. Stratton—John Taylor was the personator.

Mr. Macdiarmid—In whose name did he vote at that election, and at whose request?

Mr. Stratton—He voted, of course, for a man of the same name as his own, and the trial Judges unseated Mr. Macdiarmid in West Elgin on account of personation. Yet we do not hear from Mr. Whitney a single chirp of condemnation of this personation, of which his party was guilty of profiting in West Elgin, and one of the most vicious forms of political corruption. Mr. Whitney has been very severe in this House, and upon many platforms, on bribers who happened to be Liberals, but I defy him to point out or cite any speech of his in which he condemned the action of "Billy" Smith, a Conservative ex-M.P., in South Ontario, a Conservative corruptionist who at the trial of an election petition admitted under

oath that he had distributed at least \$1,200 for bribery, whose evidence Judge Ferguson said, was "the most brazen piece of corruption he ever heard." And yet Mr. Whitney had no word of condemnation for him. On the other hand, Mr. Smith was selected as the Conservative candidate, and, more than that, he was banquetted, and the member for West Toronto, who sits at the back of Mr. Whitney, regretted that he could not do himself the pleasure of being present. We never heard of Mr. Whitney denouncing this "brazen" briber, any more than he has denounced the 'Brawling Brood of Bribers' who attempted to buy up a whole Legislature with money in the shape of \$100 bills. (Applause.) Mr. Whitney will never get the people to take any stock in the honesty and sincerity of his denunciation of political corruption applied to Liberal offenders only, when by his silence he gives consent to and endorses the glaring corruption practised by members of his own party in his own and his party's interests. Neither does Mr. Whitney condemn the evident attempt of the Conservative party at the last election to buy up the electorate. Mr. Whitney's posing as a political purist and champion redresser of political wrongs, and his countenancing and tacit, if not expressed, approval of the unspeakable political corruption of his party associates, constitutes the most transparent hypocrisy in the annals of political transactions. (Hear, hear.)

#### HELPING THE FARMERS.

In regard to the abattoir proposal, by which the Government hopes to advance the interests of the farmers by helping to establish a dressed meat trade with the mother country, I might say that a trial shipment to Great Britain of dressed meat has just been made.

Mr. Crawford (West Toronto)—It is an experiment. There have been several of them, and they have been failures.

Mr. Stratton—They were made under unfavourable conditions. The cold-storage facilities of to-day were not then available.

Mr. Whitney—We have no beef.

Mr. Stratton—There must be a commencement, and the Ontario Government intends to promote a beginning. We must show the farmers of this Province that if they wish to gain the advantage and profit of finishing their stock in this country the Government will help them get their beef products

to British markets in a condition that will bring the highest prices. (Applause.) Mr. Whitney pretends to have so much interest in the farmers that he proposes the fanciful and farcical scheme of establishing half a dozen agricultural colleges, but he neglects the means that are practical and lying ready to our hands, only needing to be turned to account. He sneers at some of the plans proposed by the Government to help the farmers and the country, and seems to gloat over what he alleges is their failure. But he omitted entirely to refer to the beet-root sugar legislation proposed by the Government. It is a wonder that he did not do so, and claim the credit of first thinking of it, as he did in regard to the travelling dairy, the sawlog policy and other things. The Government felt that when New York State, Michigan, Wisconsin, California, Nebraska and Idaho were making a success of the beet-root sugar industry the opportunity should be given the farmers of Ontario to reap the large profits that would result from growing the raw material of a part of the 250,000,000 pounds of sugar annually consumed in Canada. Now, especially, as experiment has proved that the soil of Ontario is splendidly adapted to the growth of beets of a high percentage of sugar value, and that with factories established, or encouraged to some extent, by Government aid, another profitable crop would be added to the agricultural industries that have so thriven under Government encouragement, that in many lines of farming operations Ontario surpasses the world, and in nearly all branches of agriculture holds her own with any country. (Applause.)

#### REJOICING AT REVERSE.

Mr. Whitney seemed delighted at the failure, as he called it, of the Government to enlist the action of the British Government in the establishment of remount stations for the breeding and providing of horses for the British army, and in the exhaustless nickel deposits of Ontario for the making of nickel steel. In regard to this I can only say that the Premier of this Province would have been remiss in his duty if he had failed to call the British Government's attention to the facts; if he had not called their attention to the fact that Ontario had the greatest nickel deposits in the world, a metal the most indispensable in making the best armor plates for the greatest navy in the world; if he had not called the attention of the

British Government to the fact that Ontario is excellently adapted for breeding, and could supply horses suitable for the use of the army. But we could not compel the British Government to take advantage of our offer; we could only show them that we were able and willing to supply them with nickel for their warships and horses for army remounts, as we were willing and actually did supply them with Canadian soldiers to fight the battles of the empire. (Applause.) And I have no doubt that the British will in due time avail themselves of the offers of the Ontario Government. Britain regards Canada with respect, and we can well hope that when, in the deliberate course of official routine, the offer of Ontario receives its turn for consideration, it will be accepted, with mutual advantage to the interests concerned.

#### OUR UNDEVELOPED RESOURCES.

Nothing can, it seems, satisfy the political scepticism of the leader of the Opposition. He can see no good in anything the Government does. He has the hardihood to assert that the exploration parties sent out by the Government to investigate and report upon the extent and nature of the resources of New Ontario had "effected nothing." And this in spite of the eloquent figures quoted by the eloquent leader of the Government from the manuscript of the report of the exploring operations, which is now in the printer's hands. This report shows that we have in the districts of Nipissing, Algoma, Thunder Bay and Rainy River sixteen millions of acres of agricultural land, capable of sustaining a population of a million people; and that in these districts there is pulpwood of sufficient quantity. The present rate of dues (40 cents per cord), to be of the value of \$115,000,000. These are tremendous natural assets, and they present an immense field for the operation of the development policy of the Government.

#### THE DUTY OF THE HOUR.

With such temptations to energy and enterprise we must reach out, we must apply a policy of peaceful expansion by settling our new areas and utilizing the inconceivable possibilities of resources they contain. We are in a position to do this. We have an intelligent, energetic, progressive and public-spirited

people, who will support the Government in an aggressive policy of advance, which will subject new areas to the hand of improvement and bring into active existence the immense latent stores of wealth now lying dormant in our newer regions, and in the process bring profit to the older portions of the Province.

#### OUR PROUD PROVINCIAL POSITION.

No country has such possibilities of increasing greatness as this Province, and no country is in a better position to take advantage of its opportunities. We have no Provincial debt; no part of our income is eaten up by interest charges. No country has enjoyed the advantages of better directed expenditures of the people's money. No country has more liberally assisted, without cost to the taxpayer, its educational interests. No country anywhere has a higher agricultural development. No country has bestowed better care upon the unfortunate classes of its population, and no political party in any country in the world has ever so long, so continuously and so successfully administered the affairs of any State or people. (Applause.)

#### IN STEP WITH PROGRESS.

We are at the beginning of a new century, and this Government will be true to the traditions of thirty years of Liberal rule; will be true to the spirit of this age of advance and development in all directions. To give effect to this spirit there may be growing expenditures, but they are necessary if we would worthily meet our expanding responsibilities. We know that we are in the right way. We feel that the progressive spirit of the people of Ontario sympathizes with the aspirations of the Government to vigorously apply a policy that will best promote the growth and advancement of all the interests of this great Province. I feel perfectly certain that when the Premier appeals to the people for a renewal of confidence in his Government and endorsement of its policy that the people will feel that he has nobly redeemed his promises as far as time and circumstances have permitted, and will triumphantly return him and the Government to power. (Loud and long continued applause.)

## SOME RESOURCES OF NEW ONTARIO

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In the course of making his Financial Statement in the Legislature on February 21st, 1901, Hon. G. W. Ross, Provincial Treasurer, spoke as follows respecting some of the resources of New Ontario :—

Last session the Legislature placed \$40,000 at our disposal for the exploration of New Ontario. In order to fulfil our promise made when the money was granted, ten exploring parties were sent out, to each of which was assigned 100 miles square. The report of their work will be laid upon the Table of the House in the course of a few days. Referring to the agricultural resources of the country, Mr. Niven thus speaks of the land :

"We find in the district of Algoma, north of the height of land, a tract of fine agricultural country, covering an area as great as the twenty-three western counties of Old Ontario, being all that west of a line drawn north from Niagara and passing through Toronto to Midland. This almost unbroken section of good farming land is as great in extent as the States of Delaware, Connecticut and Massachusetts combined, as large as New Hampshire and New Jersey together, and over one-third the size of the State of New York. Our explorers have found an area of good agricultural land as large as the half of Old Ontario, which they say in their report is capable of sustaining a population in the neighborhood of one million souls."

### EXTENT OF AGRICULTURAL LANDS.

What is the extent of the agricultural land in acres? In the Nipissing district there are 1,920,000 acres of agricultural land, beyond the height of land, and an equal area on this side. In Algoma there are 11,200,000 acres; in Thunder Bay 2,500,000 acres; in Rainy River 384,000, not including the Rainy River Valley, which contains about 750,000 acres; or in all 16,064,000 acres, or more than the whole area of Ontario last year under crop.

What do they find in pine? In Nipissing there are 3,000,000,000 feet of standing pine, board measure, which at \$3 per thousand is worth \$9,000,000. That is rather a nice preserve. I hope our lumbering friends will not turn their longing eyes in that direction for some time to come.

Of pulp wood, the surveyors report in all 288,000,000 cords, which if made into pulp to-morrow at 40 cts. a cord would be worth \$115,200,000. In Nipissing there are 20,000,000 cords, in Algoma 100,000,000 cords, in Thunder Bay 150,000,000 cords and in Rainy River 18,000,000 cords, a total of 288,000,000 cords.

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